

HIGH SCHOOL GUIDE

(designs pending)

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INTRODUCTION

You're no doubt being asked on a regular basis, "have you chosen a school yet?", "what will you be studying?", or the biggest question of all, "what are you going to do with your life?". In the not too distant future, you'll be making some MAJOR life decisions that make those questions easier to answer. However, before you do, it's important that you know the impact that those decisions will have on your future financial well-being.

This guide is meant to be an introduction to some of the ways to minimize college debt, choose the right college for you, and direct you to resources that can help you even further. Students that enter college with no financial understanding whatsoever will usually end up owing a significantly higher amount at graduation. Our goal is to help you prevent that from happening!

We recommend reading this guide, highlighting areas that are interesting or relevant to you, and following the links to dive deeper into this incredibly important decision in your life.

SCHOLARSHIPS

As a high school student, we realize the last possible thing you want to be doing is more school-type work. But what if you knew that doing just 20-30 hours a semester worth of research and writing could pay you \$500 a month for the next ten years?

Interested?

Every year billions of dollars worth of scholarships go unclaimed because most students have no idea where to look and no motivation to apply. The reality is it's become far easier to fill out a FAFSA (Free Application For Federal Student Aid) than it is to fill out a scholarship application. The result? Students are lured into the easy money of borrowing student loans instead of the more tedious work involved in applying for grants and scholarships.

There are plenty of myths out there about scholarships being only for the smartest, most athletic, or musically inclined... they're just not true. Today, there are scholarships for just about any major, any religion, any health condition, political party, random hobby, and parent's career. If you're carrying a 2.0 gpa and love to skateboard, there's a scholarship with your name on it.

The key to finding the scholarships is knowing where to look. For starters, we recommend a scholarship search engines. There are many to choose from, but these are some of our favorites:

Scholarship Search Engines:

- [Good Call](#). These guys have created a scholarship search engine like no other -- it actually tells you how competitive the awards that you're applying for are. Scholarships are searchable by application date, award level, major, ethnicity, etc. Search over 16,000 awards.
- [www.Fastweb.com](#). Fastweb is probably one of the most long-standing scholarship search platforms in existence today. It's owned by Monster.com (you may know them as a job search site) so there's no telling what happens with your information once you plug it in. But they have a very robust site that's updated with scholarship opportunities regularly.
- [www.Scholarships.com](#)
- [www.FinAid.com](#)
- [The Scholarship System](#)
- [Credible](#)
- [Nerd Wallet](#)

FINDING FUNDING AT YOUR SCHOOL

So maybe writing scholarship essays isn't your thing -- (you should still apply!). Have you checked with the college or University to which you're applying to see if they have work study options, alternative funding plans (like becoming a Resident Assistant in the dorms for free room & board) or grant programs that you can apply for through the department or major you're in?

While every school is different in how they promote alternative funding for school, one thing they have in common is EVERY school has opportunities like this. The key is knowing who to ask, how to ask, and what to look for.

Some colleges will offer funding in the way of grants and scholarships for students who declare their major early. Some may offer tuition credit for working in a lab on-campus or participating in studies with their graduate students. Inquire within the Dean's office as to other ways to fund your higher education.

EARNING MONEY WHILE IN COLLEGE

If you've not had the success you thought you would in applying for scholarships, consider ways to earn money while in college instead of having to borrow money. Traditional part-time jobs are

going to pay minimum wage to maybe \$10 an hour, so try and get creative about ways to make more.

Sometimes called a *Side Hustle*, finding or creating work that pays you better than the local coffee place or pizza joint just takes a little inspiration. Check out www.SideHustleNation.com for more information.

Money Making & Hustling Ideas

- Mowing lawns at \$25-50 a yard
- Washing windows in residential neighborhoods
- Tutoring local junior high and high school students in foreign language, math, science, etc
- Building websites for fellow students or local businesses
- Becoming a social media strategist for local companies
- Buying things off of Craigslist and selling them for more money on Craigslist
- Typing papers for fellow students who never learned how to type
- The ideas are only limited by your imagination!

HOW MUCH IT COSTS TO REPAY STUDENT DEBT

Borrowing money is fairly easy in college. Our country has made attending college very attractive, and for most families, borrowing student loans is the simplest way to make college happen for their kids.

What we're not good at as a country, is educating people who are about to borrow massive amounts of money, how much it actually costs to dig yourself out of the debt hole. A freshman entering college today is predicted to borrow \$35,000 on average. While this number doesn't seem like much (after all starting salaries **MUST** be in the \$40,000 range, right?) The actual amount that most students will end up paying back is closer to \$70,000 after interest, fees and penalties. The length of time to pay back can be as much as 21 years or longer.

For an accurate way to see what your payments on student loans might be, check out the following calculators:

Student Loan Calculators

- [Student Loan Calculator by NY Times](#)
- [Repayment Calculator by Department of Education](#)

A good rule of thumb is if you're looking at borrowing any amount of money, your minimum payment is going to be about 1.1% of the total amount every month for ten years. So if you've borrowed \$50,000 to pursue your degree, your payment will be about \$550 a month.

The bottom line is the system makes it *very attractive* to take a low monthly payment, but the trade off is a very long payoff period and an education that costs about twice as much. If your desire is to spend less overall, then bite the bullet and get that debt paid off as quickly as possible.

Our Recommendation

Avoid debt as much as possible. If you go against the grain, avoiding the path of least resistance (i.e. student loans), and instead apply for scholarships, find funding elsewhere, or start a side hustle project, your future self will thank you! Think of it this way, every dollar you don't borrow today is worth 2-3x that once you graduate since you won't be paying it (and the interest) back!

Student Loan Debt Amount: \$28,950

What you'll pay

\$297.11

Monthly payment

\$35,653

Total

\$6,703

Interest

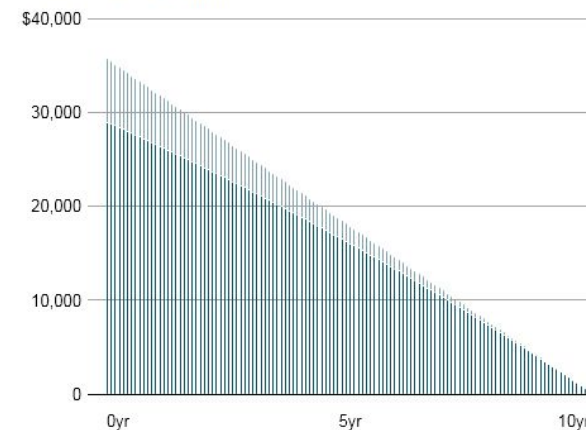
\$28,950

Loan principal

10yr

Payoff period

Your remaining total payments



What you'll need to earn

\$28,950

For your annual income to be equal to your debt

"The total outstanding student loan balance at graduation should be less than the annual starting salary, and ideally a lot less."

— MARK KANTROWITZ, EXPERT ON STUDENT FINANCIAL AID.

\$35,332

For payments to be 20% of your discretionary income

"No former student should have to pay more than 20% of their discretionary income for all student loans from all sources."

— SANDY BAUM, INDEPENDENT POLICY ANALYST, AND MICHAEL MCPHERSON, SPENCER FOUNDATION

Discretionary income is defined as income exceeding 150 percent of the federal poverty level for a single person.

WHAT THINGS REALLY COST

It's easy to look at the sticker price, and assume that's the total cost. This is a problem many students face when they discover how much they owe, and how long it will take back once the

bills start rolling in. But here's the truth, you're not just paying back what you borrowed BUT you're also paying back interest.

Calculating The True Cost: (What You Borrow) + (Paid Interest) = True Cost

True Costs of College Items (Averages) [Interest = 10 Years Repayment Period @ 5%]

- **Books & Supplies:** \$1,200 Per Year + Interest = \$1,527 (*that's only one year!*)
- **Meal Plans:** An average meal at a dining center is around \$7. If you eat 3 meals a day, 5 days a week, that's \$105 in weekly food costs. There's 24 weeks in a college year. That's \$2,520 a year in food costs. Now factor in repayment with interest...and you'll spend \$10,767 eating at dining centers (\$687 paid interest).
- **Cost of Skipping a Class:** think twice before hitting snooze from a late night before. How would you feel walking to class and handing the professor a \$50 bill each time you wanted to skip? That's basically what happens if you skip. Here's the true costs of skipping class.
- **A College Class:** General education classes are required, and are the cause of most groans amongst students, and are therefore skipped the most. So why would you pay premium price of Art History (or something equivalent) at a four year institution, instead of at a more affordable community college? Remember, you'll be paying interest on that class!

CHOOSING THE RIGHT SCHOOL

Hey, totally understandable that you want to follow your BFF/GF/BF to the college they chose. It seems like a pretty legit place to spend the next four years of your life. And, on top of all that, you'll only have to borrow, like, 70 grand to go there. NBD, right?

Wrong.

It's a HUGE deal to go to a school for the wrong reasons. Following your friends seems like a good idea at the time, but what happens when your friend (who chose the school because it had their major AND their parents saved a buttload to send them there) gets out in 3 years because they planned ahead with college credits? Meanwhile you are still in this school, not sure of what you want to do, 3 years into a major and thinking about switching which will guarantee you won't get out of there for another 2 years.

Choosing A College Is A Business Decision

The best advice you can get right now, is college has become a business decision. Schools have done their best to make the "college environment" super inviting. They have luxurious residence halls, fantastic dining centers, state of the art workout facilities... And with all of those things, higher tuition and cost of attendance than many schools that have better academic programs.

Make your decision on college based on what's right for you and your future. Your friends will come and visit you wherever you decide to go to school. This choice may predict what the rest

of your life looks like (no pressure) -- so decide today if you want to pursue the college that puts you neck deep in debt for the next 21 years of your life, OR choose the path that lets you graduate with less debt, more opportunities, and substantially more freedom.

Your advantage is learning this now. As you may have seen in the movie [*Broke, Busted & Disgusted*](#), many of our interviews were with people who would do it differently if they could. Please do not take this decision lightly and know that there are options to help you get where you want to go without creating a major debt burden to deal with on the backside.

UNDECIDED? LOW COST WAYS TO ‘FIND YOURSELF’

Traditionally, college has been a place that teenagers are recommended to go to “find themselves”. And while that advice was generally pretty good until about 20 years ago, today students that blindly go to a University to find themselves will find themselves in a lifetime of student loan debt.

We respectfully ask this question: *How do you know what you want to do with your life when you’ve never done anything?*

To assume that all students will suddenly figure out their life’s path in college is bordering on ridiculous. Granted, there are some young people today that know exactly what they want to pursue and it makes sense to go after it. But for those that are completely in the dark when it comes to their future, consider some of these alternatives:

- Spending a gap year between high school and college, or between one of the years you’re in higher education, in a long-term internship. Many students today study something for four years, enter the world of work, and realize they dislike what they majored in. Better to get experience while you have time to pivot.
- Get an internship while still in high school. If you have a passion to be a veterinarian, work for a local vet office to get a sense of what a vet’s day is like.
- Job Shadow. If you think being in real estate might be interesting, shadow a realtor for a couple weeks to see if that is a good match for your personality.
- Interview your parent’s friends. Sit down with your parent’s friends and inquire about their careers and why they like them. You can learn a lot from other people’s experiences.
- Experiment. Whether you’re more of an entrepreneur or a worker bee, if you find yourself in a job that doesn’t fire you up, change things up a bit to experiment. Once you find out what lights you up, you’re probably on the right path.

NO DEBT OPTIONS

There are options available to students today that would like to pursue college without having debt to deal with afterwards. Consider these:

Military - The G.I. Bill will cover education related expenses for active military personnel (including reserves). Find more information here: <http://www.benefits.va.gov/gibill/>

Type of School	Maximum Tuition & Fee Reimbursement per Academic Year
Public School	All Tuition and Fee Payments for an in-State Student
Private or Foreign School	Up to \$21,084.89 per academic year National Maximum

Apprenticeships - Much like a degree from college or a University, an apprenticeship is usually for a 4 year period of time. Apprentices work under a Journeyman, learning a trade such as carpentry or steel work, and take classes on the weekends that provide them an Associates degree, and no debt. The apprentice is paid a liveable wage from day 1 on the job and receives pay increases each year in the program. By the time they graduate as a journeyman, they can expect salaries in the neighborhood of \$60,000 a year with guaranteed retirement benefits. Each program is different, yet most are similar in the fact they won't take on apprentices without work being guaranteed upon completion of the program.

Scholarships - Some of these options were covered earlier in this guide, but it bears repeating that finding free money for school is one of the best ways to ensure you're not Broke, Busted & Disgusted after graduation. If you treat applying for scholarships like a part-time job, starting when you're in high school and continuing through college, you'll graduate with less debt (or NO debt), guaranteed.

RESOURCES FOR HIGH SCHOOL STUDENTS

To aid you on your journey of graduating with less (or no) debt, we've compiled several trustworthy resources for you to plug into. Remember, if you're going to spend the next four-to-five years attending college, plus another decade or more repaying student debt, then it's in your best interest to take a few hours learning how to shrink your repayment period and debt load.

Ultimately you are responsible for your own journey, and that includes how much debt you take on, and what path you choose. While you may face many societal pressures (friends, family, parents, teachers, etc), you will be responsible with repaying your decisions (not them).

Choose wisely, and avoid a decade or more of debt repayments.

Resources

[Good Call](#). These guys have created a scholarship search engine like no other -- it actually tells you how competitive the awards that you're applying for are. Scholarships are searchable by application date, award level, major, ethnicity, etc. Search over 16,000 awards.

[The Scholarship System](#). The college graduate that created this system earned over \$125,000 in scholarships, grants and awards to completely pay for her college experience. She's boiled her methods down into a simple-to-follow system.

www.Scholarships.com. This is another scholarship search engine that's packed with great articles and advice as well. Search scholarships by major, by state, or by type.

www.Fastweb.com. Fastweb is probably one of the most long-standing scholarship search platforms in existence today. It's owned by Monster.com (you may know them as a job search site), so there's no telling what happens with your information once you plug it in. But they have a very robust site that's updated with scholarship opportunities regularly.

Student Loans Resources

- [FinAid](#) - Government Aid Site
- [Credible](#) - Financing Options
- [Bank Rate](#) - Student Loan Calculator

Financial Wellness/Education

- [Nerd Wallet](#) - Top bank accounts and cc for students
- [Mint.com](#) - Budgeting
- [ReadyForZero](#) - The fastest way to repay debt, and get the most savings.

THE REALITY OF COLLEGE TODAY

The reality of the situation today is nearly 70% of all students will graduate with debt. On average, the debt load carried by graduates is reportedly around \$35,000, yet everyone knows someone that has \$50,000, \$80,000, or \$100,000 or more in loans. In addition, 44% of students drop out before completing their degree, most of whom drop out for financial reasons. The end result is no degree, and an oppressive payment hanging over their head.

It doesn't have to be this way for you. By following the advice in this guide, understanding what is at stake when blindly borrowing student loans, and choosing a different path, you can have total control over your financial life after graduation.

CHOOSING THE RIGHT PATH FRAMEWORK

When pursuing a higher education route, there is no one size fits all. What may work for your classmate, may not work for you. They may have affluent parents, while you may be footing the entire cost yourself. They may know exactly what career path to follow while you are still feeling things out. They may finance everything while you are taking a more financially sensible approach.

You've been thrown a lot of information to avoid overborrowing for your higher education, and it can be overwhelming. But before throwing up your hands, and just asking someone else what you should do, consider these points and questions to use as framework to guide you towards a decision that's right for you.

Choosing Your Path & Avoiding Debt

- Do you know what career you want to go into?
- What careers fit your personality type?
- What are your interests?
- How can you experience a career first, to see if you actually like it, before attending college?
- If you've chosen your college, do you understand all the true costs?
 - room & board, textbooks & supplies, tuition, transfer fees, transfer credits, etc.
- How much research have you done on your career, and the place you want to live? Is it viable with the debt load required to obtain a degree to work in the field?
- How can you feed your interests, without taking on a bunch of student loan debt?
- What are free (or low costs) ways to educate yourself?
 - ie: lynda.com, Khan Academy, Ted Talks, etc. Use the power of the internet.
- Who is paying for your higher education? How much are they paying? Are you positive?